
From sport club to stock company:

Does legal form matter to professionalised sport management?

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Introduction

- > Choice of legal form is a key decision for sport managers.
- > In many sports, non-profit sport organisations (NSOs) and for-profit sport organisations (FSOs) compete against each other.
- > Is there any relation between...
 - ...legal form and management practices?
 - ...management practices and performance?
- > Previous research focused on performance differences between NSOs and FSOs. (e.g., Nowy et al., 2015)
- > To date, no research investigated the relation between legal forms and management practices.

Research questions

- 1) Which management practices can be identified in a mixed sport sector?
- 2) Do legal forms differ according to management practices?
- 3) Does performance differ according to management practices?



Research design

Sample

- > Online survey of Swiss Ski Schools (SSS)
 - 151 SSS, n = 71 SSS; Response rate: 47%
 - 26 sport clubs
 - 13 cooperatives
 - 11 stock companies
 - 11 limited liability companies
 - 7 sole proprietorships
 - 3 other legal forms



Data analysis

- > Hierarchical Cluster Analysis (Ward's algorithm, SED) based on the concept of professionalisation (analysis of management practices)
- > Analysis of legal forms and performance

Forms of professionalisation

Dimensions and factors

Dimension «Strategies and activities»

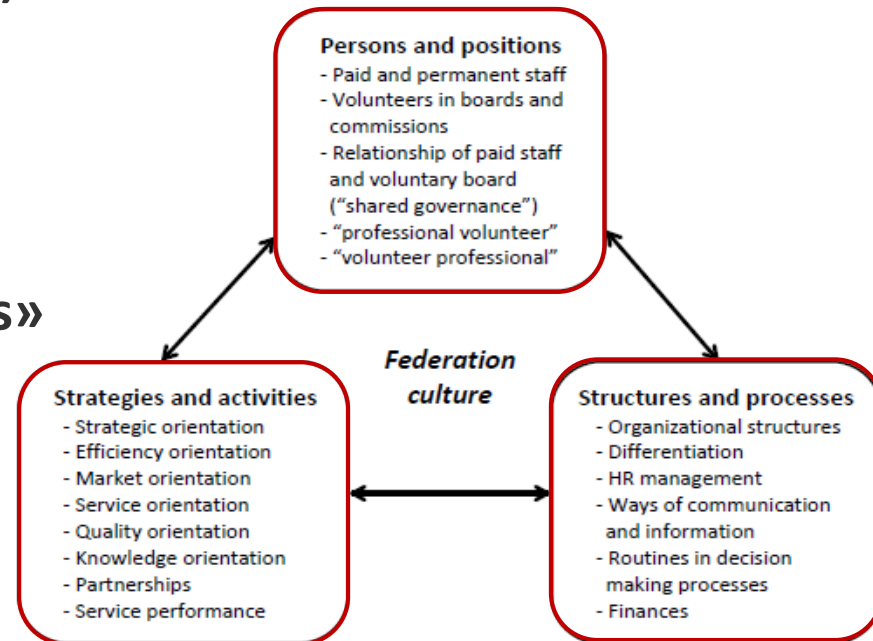
- > Strategic orientation
- > Quality orientation

Dimension «Structures and processes»

- > Formalisation of strategy
- > Formalisation of functions

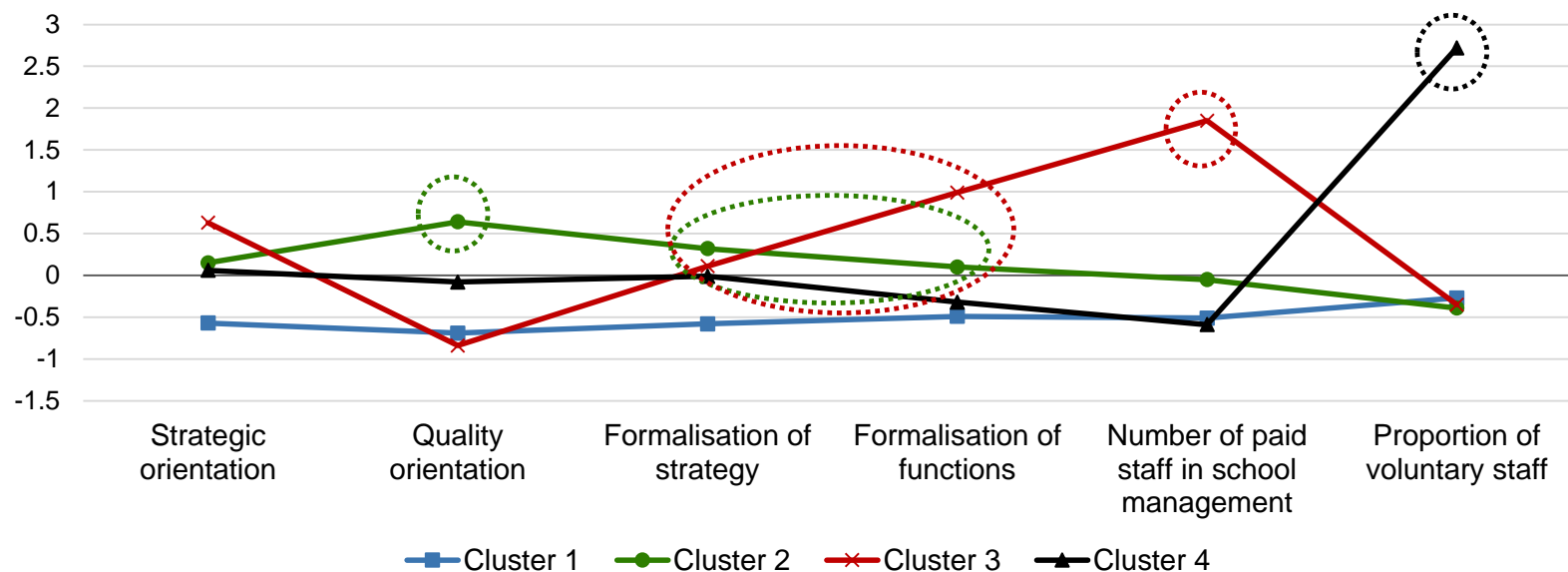
Dimension «Persons and positions»

- > Number of paid staff in school management and administration
- > Proportion of voluntary staff



(Ruoranen et al., 2016)

Results RQ1: Characteristics of four management practices



Cluster 1 (n=20; 28%)

Little professionalised management

Cluster 2 (n=34; 48%)

Quality oriented, formalised management

Cluster 3 (n=9; 13%)

Formalised management lead by paid staff

Cluster 4 (n=8; 11%)

Moderately professionalised management lead by voluntary staff

Results RQ2: Legal forms

Legal form	Cluster 1 n (%)	Cluster 2 n (%)	Cluster 3 n (%)	Cluster 4 n (%)
Sport club	7 (27%)	13 (50%)	1 (4%)	5 (19%)
Cooperative	4 (31%)	4 (31%)	5 (38%)	0 (0%)
Stock company	1 (9%)	9 (82%)	1 (9%)	0 (0%)
Limited liability company	4 (36%)	6 (55%)	1 (9%)	0 (0%)
Sole proprietorship	4 (57%)	1 (14%)	0 (0%)	2 (29%)

Cluster 1 (n=20; 28%)

Little professionalised
management

Cluster 2 (n=34; 48%)

Quality oriented, formalised
management

Cluster 3 (n=9; 13%)

Formalised management
lead by paid staff

Cluster 4 (n=8; 11%)

Moderately professionalised
management lead by voluntary staff

Results RQ3: Performance

	Cluster 1: Little professionalised management	Cluster 2: Quality oriented, formalised management	Cluster 3: Formalised management lead by paid staff	Cluster 4: Moderately professionalised management lead by voluntary staff
Turnover (1-5)	2.25	3.48	4.67	1.88
Price of half day lesson (CHF)	41.-	51.-	66.-	40.-
Change of structures last 5 years (1-5)	2.95	3.71	3.67	2.75
Satisfaction with goal attainment (1-5)	3.47	3.97	4.11	3.75
Change of demand last 5 years (1-5)	2.85	3.09	3.22	2.75

Discussion / Conclusion

- > Some sport clubs proved to be more professional than expected by existing literature. (e.g., Auld & Cuskelly, 2012)
- > Legal forms differ only partly according to management practices.
- > Performance differs considerably according to management practices (external validation).

Limitations

- > Selective adoption of components to measure management practices due to methodological design.

Future research

- > Pairwise comparisons of legal forms with larger samples.
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